

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

Soverain Software LLC,

Plaintiff,

v.

J.C. Penney Corporation, Inc,
Amway Corp.,
Avon Products, Inc.,
Bidz.com, Inc.,
HSN, Inc.,
HSN Improvements, LLC,
Cornerstone Brands, Inc.,
Ballard Designs, Inc.,
Garnet Hill, Inc.,
Smith & Noble, LLC,
The Territory Ahead, Inc.,
QVC, Inc.,
Shutterfly, Inc.,
Victoria's Secret Stores Brand Management,
Inc.,
Victoria's Secret Direct Brand Management,
LLC,
VistaPrint, Ltd., and
VistaPrint USA, Inc.

Defendants.

Civil Action No. 6:09-cv-274 LED

JURY

SOVERAIN'S ANSWER TO COUNTERCLAIMS OF QVC, INC.

By and through its attorneys, Soverain Software, LLC ("Soverain") hereby answers the Counterclaims of QVC, Inc. ("QVC").

1-110 Paragraphs 1-110 are QVC's responses to the allegations in Soverain's Complaint and its affirmative defenses. No response is required.

COUNTERCLAIMS

111. On information and belief, Soverain admits the allegations of Paragraph 110.

112. Soverain admits the allegations of Paragraph 111.

II. JURISDICTION AND VENUE

113. Soverain admits that QVC purports to assert counterclaims under 28 U.S.C. §§ 2201 and 2202, but denies that QVC has stated a cause of action or any grounds for such relief. Soverain admits that this Court has subject matter jurisdiction.

114. Soverain admits that venue is proper in this district.

115. Soverain admits the allegations of Paragraph 115.

116. Soverain admits that venue is proper in this district.

FIRST COUNTERCLAIM

(Declaratory Judgment of Non-Infringement of the ‘314, ‘492 and ‘639 Patents)

117. Soverain restates its responses to Paragraphs 111-116. Paragraphs 1-110 are QVC’s responses to the allegations in Soverain’s Complaint and its affirmative defenses. No response is required.

118. Soverain admits the allegations of Paragraph 118.

119. Soverain denies the allegations of Paragraph 119.

120. Soverain denies the allegations of Paragraph 120.

121. Soverain denies the allegations of Paragraph 121.

122. Soverain admits that QVC seeks declaratory judgment of non-infringement of the ‘314, ‘492 and ‘639 patents, but denies that QVC has stated a cause of action or any grounds for such relief.

SECOND COUNTERCLAIM

(Declaratory Judgment of Invalidity of the ‘314, ‘492, and ‘639 Patents)

123. Sovereign restates its responses to Paragraphs 111-122 as if fully stated herein. Paragraphs 1-110 are QVC’s responses to the allegations in Sovereign’s Complaint and its affirmative defenses. No response is required..

124. Sovereign admits the allegations Paragraph 124.

125. Sovereign denies the allegations of Paragraph 125.

126. Sovereign admits that QVC seeks declaratory judgment of invalidity of the ‘314, ‘492 and ‘639 patents, but denies that QVC has stated a cause of action or any grounds for such relief.

PRAYER FOR RELIEF

Sovereign denies that Counterclaim Plaintiff QVC is entitled to the relief requested in their Prayer for Relief, Paragraphs A-F inclusive.

WHEREFORE Sovereign prays for an Order:

- A. Granting judgment in Sovereign’s favor on all claims in QVC’s counterclaims;
- B. Dismissing QVC’s counterclaims with prejudice;
- C. Awarding Sovereign its attorneys’ fees, expenses and costs in defending against QVC’s counterclaims;
- D. Awarding Sovereign the relief sought in its Complaint; and
- E. Awarding Sovereign such other relief as the Court deems just and proper.

Dated: October 8, 2009.

Respectfully submitted,

By: /s/ Michael C. Smith

Michael C. Smith (Texas Bar. No. 18650410)

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Attorneys for Plaintiff Soverain Software, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) this the 8th day of October, 2009. Any other counsel of record will be served by facsimile transmission and/or first class mail.

/s/ Michael C. Smith
Michael C. Smith